GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:877
ANSWERED ON:29.07.2005
SALE OF CHINESE CLOTHING ITEMS
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Will the Minister of TEXTILES be pleased to state:

(a) whether there is an apprehension in Indian Textile Sector players about the possibility of Chinese clothing items swamping the Indian market for domestic consumption at throw away prices;

(b) if so, the details thereof; and

(c) the steps taken by the Government to safeguard the interest of Indian Textile industry?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) & (b): In the liberalized trade regime, the imports are governed by market forces subject to Foreign Trade Policy in force from time to time. The import and export of almost all textile items have been permitted freely under the existing Foreign Trade Policy. The quantum of textile imports from China would depend upon market conditions and other factors like quality, prices, accessibility, varieties, etc., of textile items and consumer preferences.

(c):Government is monitoring the imports and would strive to ensure that imports do not cause any serious detriment or injury to the domestic industry. To protect local industry from the injurious effect of imports, action under anti-dumping, subsidies and countervailing measures etc. of WTO could be taken if necessary.

Government has been taking a number of steps from time to time to strengthen Indian textile industry for meeting the growing global competition. Some of the important initiatives taken are:

i) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.
ii) To improve the productivity and quality of cotton, Government has launched Technology Mission on Cotton (TMC). The mission comprises four mini-missions, which are being jointly implemented by the Ministry of Agriculture and Ministry of Textiles. One of the important ingredients of the Mission is to improve cotton processing facilities by upgrading/modernizing the existing ginning and pressing facilities and setting up of new market yards/improvement of existing market yards.
iii) The Government has launched a centrally sponsored scheme titled "Apparel Park for Export Scheme" for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres to give fillip to exports.
iv) For upgrading infrastructure facilities at important textile centres, a scheme titled "Textile Centre Infrastructure Development Scheme" (TCIDS) has been launched.
v) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given excise exemption option.
vi) A combination of ad-valorem or specific customs duty on whichever is higher basis has been levied to protect the domestic industry from cheap imports.
vii) The imports of specified textiles and garment machinery items has been allowed at concessional rate of customs duty to encourage investments and to make our textile products competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.
viii) Duty-free imports of 21 items of trimmings and embellishment items are allowed to the garment exporters, upto 3% of their actual export performance during the previous year. ix) National Institute for Fashion Technology (NIFT), its seven branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing. x) Facilities by way of eco-testing laboratories have been created to enable exporters to get the garments/textiles pre-tested for conforming to the requirements of importing countries.
xi) 100% Foreign Direct Investment is allowed in the textile sector under the automatic route. xii) The Government has de-reserved the readymade garments, hosiery and knitwear from the SSI sector.